

EXHIBIT 94

REPORT TO OMS TEAM**October 28, 2010****V PACIFICA PHCY INC-HUNT BCH**

18682 BEACH BLVD #115, HUNTINGTN BCH, CA 92648

DEA #BP8997908

I. BACKGROUND AND REASON FOR OMS REVIEW

- RANKED 30TH IN SALES OPERATIONS AUDIT OF 638 NATIONAL ACCOUNTS OUTLETS FOR 12 MONTHS ENDING 7/31/10**, due to relatively high 12-month volume of OxyContin orders (90TH among 638 outlets meeting OMS algorithm), high % of orders for 80mg dosage strength, and multiple wholesalers.

Time Period	Total PP Prod Sales	Total OxyC Sales	Rank on OxyC Sales	# WHL	Avg WHL per mo	Avg Orders per day	80mg as % of all OxyC	Rank on % 80 mg	40+80 mg as % of all OxyC	% Other	Rank
AUG 09 - JUL10	1,270,083	1,260,135	91	2	1.04	1.06	91.74	82	94.68	6.07	30

- FLAGGED BY SALES OPERATIONS AS AN OUTLIER FOR OMS REVIEW**
- ROCs FROM FIELD SALES FORCE INDICATING THE PHARMACY WAS FILLING PRESCRIPTIONS WRITTEN BY REGION 0 PRESCRIBERS**

II. OMS INVESTIGATION ACTIVITY

- OMS DATABASE (FFS) DATA**

Summary FFS data for the 12 months ending 9/30/10 shows a slight increase in sales compared to the 12-month data ending 7/30/10 (above), but a slight decrease in the % attributable to the higher OxyContin dosage strengths.

TIME PERIOD	TOT \$\$ SALES PURDUE PRODTs	TOT \$\$ SALES OXYCONTIN	# WHL 12 Mos	# WHL per mo	# Orders per day	80%	% 40+80	% Others
OCT09 – SEP 10	\$1,137,954	\$ 1,128,857	2	1.04	1.06	87.86	90.72	5.34

As detailed in the following Customer 867 data on the next page:

- The primary supplier since early in 2007 has been HD Smith, which accounts for 96% of all orders and of 80mg orders over the past 24 months
- Valley Wholesale Drug has supplemented with minimal and sporadic orders since January 2009.
- Cardinal supplied 238 bottles of 80mg in 2007 and 117 in 2008, but no orders after January 2009.
- HD Smith orders increased dramatically between July 2009 and January 2010, declining by more than 50% thereafter, and then falling again to almost nothing in September.

OCT 09 - SEP 10	PRODUCT	WHL	12 Mos	12 Mos Avg	3v3	6v6	SEP 2010	AUG 2010	JUL 2010	JUN 2010	MAY 2010	APR 2010	MAR 2010	FEB 2010	JAN 2010	DEC 2009	NOV 2009	OCT 2009
	OC-OP80	HDS	931	77.6	(46)	(411)	12	50	45	44	78	31	52	46	104	134	200	135
	OXC180	VAL	36	3.0	0	(36)	0	0	0	0	0	0	0	0	0	18	18	0
	OC-OP60	HDS	65	5.4	(1)	(15)	3	5	4	6	3	4	5	8	4	8	7	8
	OXC140	HDS	121	10.1	58	64	34	30	2	4	5	3	5	2	6	6	9	11
	OXC140	VAL	9	0.8	9	9	0	9	0	0	0	0	0	0	0	0	0	0
	OXC130	HDS	2	0.2	0	(2)	0	0	0	0	0	0	0	0	0	0	0	2
	OXC130	VAL	1	0.1	1	1	0	1	0	0	0	0	0	0	0	0	0	0
	OC-OP20	HDS	30	2.5	4	2	0	10	0	0	4	2	3	2	3	2	2	2
	OXC110	HDS	12	1.0	0	(4)	0	1	1	0	0	2	1	1	2	1	1	2
	DIL810	VAL	2	0.2	0	(2)	0	0	0	0	0	0	0	0	0	0	0	2
	DIL810	HDS	7	0.6	0	(7)	0	0	0	0	0	0	0	0	0	1	4	2
	DIL450	HDS	14	1.2	0	(14)	0	0	0	0	0	0	0	0	0	14	0	0
	DIL410	HDS	7	0.6	0	(7)	0	0	0	0	0	0	0	0	0	3	4	0

OCT 08 - SEP 09	PRODUCT	WHL	12 MOS	12 MOS AVG	3v3	6v6	SEP 2009	AUG 2009	JUL 2009	JUN 2009	MAY 2009	APR 2009	MAR 2009	FEB 2009	JAN 2009	DEC 2008	NOV 2008	OCT 2008
	OXC180	HDS	749	62.4	138	139	99	108	84	46	54	53	74	42	30	60	49	50
	OXC180	VAL	18	1.5	0	(18)	0	0	0	0	0	0	0	0	18	0	0	0
	OXC180	CARD	19	1.6	0	(19)	0	0	0	0	0	0	0	0	19	0	0	0
	OXC060	HDS	44	3.7	4	4	3	6	5	4	3	3	7	2	3	4	3	1
	OXC140	HDS	78	6.5	2	2	5	8	8	6	5	8	9	4	3	9	6	7
	OXC140	CARD	3	0.3	0	(3)	0	0	0	0	0	0	0	0	3	0	0	0
	OXC130	HDS	5	0.4	0	(1)	0	0	1	1	0	0	0	0	2	1	0	0
	OXC120	HDS	25	2.1	6	3	2	3	5	1	1	2	6	0	0	4	1	0
	OXC115	HDS	2	0.2	2	2	1	0	1	0	0	0	0	0	0	0	0	0
	OXC110	VAL	10	0.8	1	0	0	1	2	1	0	1	2	1	2	0	0	0
	DIL810	HDS	7	0.6	0	1	1	0	1	0	1	1	2	0	1	0	0	0
	DIL450	HDS	1	0.1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
	RYZ130	HDS	1	0.1	(1)	1	0	0	0	0	0	1	0	0	0	0	0	0
	DAB108	HAS	2	0.2	0	(2)	0	0	0	0	0	0	0	0	2	0	0	0

NATIONAL ACCOUNTS INPUT

10/27/10 report from Steve Seid: Modern store. Near a medical group. Still orders significant product, but for weeks all reformulated. Decent product mix. Doesn't appear to be an issue.

PUBLIC RECORDS SEARCH

Luis Bauza conducted a public records search on October 25, 2010. He reported that nothing significant was found. Copies of documents provided by Luis in connection with the records search are included in the Addendum at the end of this report.

FIELD SALES FORCE INPUT

- **4.7.10 ROC from DM Cindy LaForest:** Saes Representative, Drew Oppelt, and Cindy visited this pharmacy and were informed that they were getting a large number of scripts from doctors up in the LA area, which is 60 miles north of this pharmacy. Cindy and Drew were told that the pharmacy had stopped filling the scripts as they were concerned that they weren't legitimate and believed they were fraudulent.
- **6.1810 ROC from Sales Representative, Drew Oppelt:** Drew reported that the pharmacy was also filling scripts for Dr. Darryl Harris from Los Angeles. The pharmacist mentioned that he was no longer filling this physician's prescriptions

- **SAVINGS CARD INFORMATION**

- Savings card utilization reports indicate that the following Region 0 prescribers had RXs filled by Pacific Side pharmacy in March, April and May, but not in June, July and August: Victor Siew, John Petraglia, Darryl Harris, Mumtaz Ali, Lisa Tseng and Daniel Cham.
- We can not tell from the savings card reports the volume of RXs written by these Region 0 prescribers, since savings card redemptions are involved in less than 3% total dispensing, but all of them were wrting a high volume of 80mg scripts earlier in this year.
- We referred Mumtaz Ali was referred to the DEA earlier this year in conection with suspected IPAP fraud.
- Darryl Harris was arrested and agreed to surrender his medical license in June.
- All of these prescribers were writing a high volume of OxyContin earlier in the year, and were discussed with HD Smith in May (see wholesaler input below)

- **WHOLESALE INPUT**

Jack Crowley spoke with George Euson of H.D. Smith on May 4, 2010 concerning L.A. Area scams - and other hot spots as well (See addendum). During that general discussion, Jack mentioned V Pacifica Pharmacy as an H.D. Smith account that was located in the hot-spot area.

George mentioned that H.D. Smith had conducted initial on-site due diligence on April 3, 2008. Pharmacy owner Thang (Frank) Tran was advised of the need to maintain effective controls to prevent the dispensing of prescription drugs based on prescriptions written for other than legitimate medical purposes. Specifically, that prescriptions can only be issued by a doctor acting in the usual course of professional practice - otherwise they are not valid, with subsequent discussion about a pharmacist's corresponding liability, etc.

George mentioned to Jack that H.D. Smith was concerned with the writing practices of Dr. Victor Siew, who was in the practice of writing prescriptions for the "Holy Trinity" for his "pain patients. H.D. Smith had discussed those concerns with the pharmacy several months back, and the pharmacy's volume of OxyContin 80mg dropped quite a bit. H.D. Smith had made an adjustment to the account's threshold. Jack traded information concerning Dr. Siew as well as other prescribers in the area. (See Addendum)

- **FURTHER INVESTIGATORY ACTIVITY**

The store was established in 2004 - 930 sq feet in leased space within an office building in a strip mall with many other businesses in Huntington Beach, CA. V Pacifica is a small apothecary type pharmacy

II. REC OMMENDATION

Since the wholesaler took appropriate action, in consultation with Purdue to ensure greater due diligence on the part of the pharmacy, order volume decreased by more than 50% in February and has maintained at that level, and neither Steve nor Luis, or the wholesaler have any concerns about this account, it is recommended that that his account be designated "Complete-Closed" with the stipulation that OMS team will re-open its review upon receipt of new information.

Licensee Name: TRAN THANG Q
 License Type: REGISTERED PHARMACIST
 License Number: 41172
 License Status: CLEAR
 Expiration Date: August 31, 2011
 Issue Date: March 17, 1988
 Address: 18682 BEACH BLVD 115, HUNTINGTON BEACH, CA 92648
 County: ORANGE
 Actions: No

Related Licenses/Registrations/Permits

<u>Number</u>	<u>Name</u>	<u>Type</u>	<u>Status</u>
46715	PACIFICA PHARMACY CORP	RETAIL PHARMACY	CLEAR

Public Disclosure No information available from this agency

This information is updated Monday through Friday - Last updated: OCT-26-2010

Addendum

Outline of discussion between Jack Crowley and George Euson on 5/4/10

- L.A. Area scams - but other hot spots as well.
- Organized Groups - targeting smaller pharmacies, 80mg, cash, known "bad" doctors from miles away, sending a driver to pick up scripts for multiple patients, etc.
- The old forged prescription scams - Doctor ID theft – DEA # theft – bogus scripts – someone answers the phone and verifies the scripts.
- Pharmacists need to use their own good judgments.
- Wholesalers have to be on the lookout for pharmacies that don't care/look the other way, etc. *"they are licensed doctors and why shouldn't I fill their prescriptions?"*
- Suspicious prescriptions for 80mg Oxycontin. *"they have been coming from Los Angeles and the patients would come in groups"*
- *"We were concerned about Lake Medical Group."*
- Sudden increase in OxyContin RXs
- Exclusively or overwhelmingly 80mg
- High % of payment by cash (and more recently via 3rd party Medicaid Part D reimbursement: AARP + HealthNet D)
- RXs mainly from handful of prescribers mentioned by multiple pharmacies and previously of concern to us because of questionable prescribing patterns, e.g.:
 - sudden high prescribing where no prior history
 - evidence of specific solicitation of pharmacy by prescriber to fill Oxy80mg RXs
 - Sending driver to pick up scripts for multiple patients paying for all in cash
- Atypical patients, i.e.: young people without apparent pain-related illness ; obviously homeless people accompanied by "chaperone" who is obviously unrelated and appears alongside the patient
- Involving mostly small, independent pharmacies rather than chains

Issues/concerns:

- Increasing # of pharmacies that appear to be participants or targets of suspicious activity all fitting same pattern:
 - * Atypical “patients”
 - * Prescriptions almost exclusively 80mgs
 - * Prescribed primarily by (Region 0) physicians from out of area [e.g. Pharmacies in San Diego and South Orange County continuing to receive scripts from doctors up north in Los Angeles]
 - * Involving mostly small, independent pharmacies rather than chains
- Concern that (Region 0) docs still prescribing large amounts of OxyContin, primarily if not exclusively 80mg
- Possible Medicare fraud: (Pheonix Plantrak data for [Region 0]) docs showing majority of prescriptions covered by Medicare Part D insurance (top two = AARP and Healthnet Part D)
- Heightened level of concern of doctors and pharmacies (re: prescribing/stocking) resulting from recent media reports of criminal activity and related law enforcement activities, e.g. San Diego OxyContin Task Force, California AG drug ring(s) investigation (with DEA + local law enforcement), C.Haim and many other media reports of abuse, robberies, etcetera.

Dr. Victor Siew.

What caused sales representative Drew Oppelt to report Dr. Siew was a sharp increase in the volume of the doctor’s prescriptions for 80 mg OxyContin tablets. After Drew noticed the increase in January 2009, he questioned Dr. Siew directly about the increase. Dr. Siew explained that patients were being referred to him on high doses of OxyContin and he was maintaining those patients at the same level of medication. Drew asked the doctor whether he performed his own assessment of the referred patients. Dr. Siew said that he did.

Drew inquired about the source of the referrals. Dr. Siew mentioned that many of his patients were coming from Dr. Kiely who was being investigated by the DEA. Dr. Siew tried to assure Drew that he was trying to reduce the doses of the patients where appropriate and was focusing on proper patient selection.

Drew followed Dr. Siew for several months as the doctor’s prescribing volume grew, emphasizing proper documentation, assessment, and patient selection. Drew also stressed the PI, patient activity reports, the C.U.R.E.S. program and strict monitoring of patient compliance. Despite Drew’s efforts and the doctor’s assurances that he was treating appropriate patients with the correct dosing, Dr. Siew’s volume of 80 mg OxyContin tablet prescriptions continued to increase.

Drew has discussed his concerns about Dr. Siew with his district manager, Cindy LaForest. In an effort to obtain additional information, Cindy and Drew interviewed the pharmacists at the three pharmacies where Dr. Siew directs his patients fill their prescriptions. None of the three pharmacists expressed reservations about Dr. Siew or his patients.

After gathering all of the information, Cindy and Drew continue to be suspicious of Dr. Siew’s prescribing habits. Even with the tacit endorsement of the pharmacists, earlier this week, Cindy communicated this week

that she is no longer comfortable having Drew call on Dr. Siew. Cindy cited the volume of prescriptions and percentage of OxyContin prescriptions being paid for in cash.

Other Physicians of Concern:

Jack discussed these physicians with George Euson in general terms.

Dr Kevin Gohar – inherited patients from Dr. Bamdad who was arrested two years ago. Data pulled from system, but still prescribing. 80mg tid, medicare prescriber

David Niknia- PA for Dr.Gohar – Medicare patients, all patients getting 80mg tid

Dr.Luis Flores – was not able to locate him in Los Angeles, but believe we have located him in Fresno with the name Jose Luis Flores. He is practicing pain management one day a week and writing 80mg TID for all patients. Rxs getting filled at Community First Pharmacy.

Dr.Leandro Gattas – working with Dr. Gohar, Niknia and Flores. RSOP 1.7.1

Dr.Elinore Santiago – Very busy clinic – working with Dr. Morris Halfon, Artis Woodward, and others. Joan Zooper has list. All of these physicians' data have been pulled from Phoenix. This clinic was sending patients to St. Paul's Pharmacy as well as many others throughout the district. Mostly Medicare and cash

Dr. Bui Hai/Ernest Casillas- working at a clinic in Compton. Prescriptions for 80mg TID very high for both MD's. Pharmacy reports express significant concerns about physician prescribing. Mostly cash and Medicare - AARP

Alfonzo Gutierrez PA/ Dr.Samuel Sanchez- Compton Pain Clinic. This clinic is in Cindy LaForest's District, but we are seeing significant amount of 80mg being prescribed in the Pharmacy.

Dr. Joseph Garfinkle – Very big prescriber of 80mg TID. Went by office, but felt that getting out of the car too dangerous to go into the office. AARP/Cash

Dr. Amir Al-Jahed – working out of same office as Dr.Garfinkel. Office too dangerous to get out of the car. Huge amount of 80mg TID prescribed. When we called the office, receptionist told my rep Terri Meadows that appointments cost \$400 and he only takes cash and Medicare.

Dr. Luis Fundora- 80mg TID mostly AARP prescriptions

Dr. Cecilia Madrid – inherited some of Dr. Bamdad patients. 80mg TID,

Dr. Andrew Sun – 80mg tid prescriptions mostly AARP

Dr.Alejandro Gil – 80mg tid prescriptions mostly AARP/cash

Dr. Jiaxiong Weng – all 80mg tid, AARP and Health Net D

Dr. Mumtaz Ali- data pulled, but was prescribing extremely high doses of 80mg TID

Dr. Luis Fundora- 80mg tid. AARP

Dr. Ashmead Ali- 80mg tid, mostly AARP and Health Net D

Dr. Joseph Altamirano – 80mg tid, AARP and Prescription Solutions

Dr. M. Nasir – 80mg TID, AARP and Health Net D

Dr. De Peace – prescription pad stolen 80mg

Dr. Adele Ghattus – prescription pad stolen 80mg tid being written

Dr. Ray Salari – could not find the physician, but address we have was an office of Dr. Howard Ragland, who is an RSOP 1.7.1. Early View in Cindy LaForest's district. Large amounts of 80mg being written

Dr. Daryl Harris – MD's office is a marijuana clinic. MD is prescribing significant amounts of 80mg tid. Currently awaiting sentencing for Medicare fraud.

Dr. Daniel Cham – MD's early view is high for the 80mg in Dan McAvoy's District in Chicago. My representative found that Dr. Cham works one Saturday per month at a marijuana clinic in his territory. We have not spoken with him in person.

Dr. Hosseing Gharajhani -80mg prescribing, mostly AARP.

Dr. Nazar Al-Bussam – prescribing 200 Rxes per month of Dilaudid, and 1200 combos per month. Largest prescriber of combination opioids within the Los Angeles District. Reported him due to high Dilaudid prescribing.